
Health Care Committee

HB 2574

Brief Description: Regarding hospital charity care and debt collection.

Sponsors: Representatives Cody, Morrell, Green and Upthegrove.

Brief Summary of Bill

- Increases the thresholds for qualifying for charity care to 200 percent of federal poverty guidelines and for sliding fee schedule discounts to 400 percent of the federal poverty guidelines.
- Requires hospitals to provide notice to patients of their charity care policies.

Hearing Date: 1/20/06

Staff: Chris Blake (786-7392).

Background:

Hospitals are required to develop and maintain charity care policies. These policies must allow individuals to qualify for either charity sponsorship of the full amount of their hospital charges or discounts from charges according to a sliding fee schedule.

In order to qualify for full charity sponsorship, the individual who is responsible for the payment of hospital charges must have a family income that is 100 percent of the federal poverty standard or less. In order to qualify for a sliding fee schedule discount, the individual who is responsible for the payment must have a family income that is between 101 and 200 percent of the federal poverty standard. Hospitals may apply the sliding fee schedule discount to individuals whose income exceeds 200 percent of the federal poverty standard.

Summary of Bill:

The threshold to qualify for access to medical services and be considered a charity care patient for the full amount of hospital charges is increased to include individuals with a family income below 200 percent of the federal poverty guidelines. The threshold to qualify for a sliding fee schedule discount is increased to include those with a family income below 400 percent of federal poverty guidelines or a family income that is not sufficient to pay for the care, the deductibles, or coinsurance amounts. The discounts in the sliding fee schedules must be based upon payment rates that the hospital would receive from its largest private third party payer.

Each hospital must provide notice to its patients of its charity care policies. At a minimum, notice regarding the opportunity to apply for charity care must be posted in a place that is easily accessible and visible to patients and included in each bill that is sent to patients. The notice must use clear language that a person with limited education could understand.

Hospitals must offer people who qualify for a sliding fee schedule the option to pay their bills in reasonable installments at an interest rate that does not exceed the lower of the consumer price index or 3 percent. Hospitals must provide information in clear language to the patient regarding the hospital's interest rate compared to typical credit card or consumer bank loan interest rates.

The governing board of a hospital must be notified of the debt collection practices of any entity that it contracts with to collect or purchase the hospital's accounts receivable and it must approve those practices and review them annually. The entities must provide information about contacts with patients who have hospital debts, policies allowing debtors to make installment payments, and the circumstances in which civil actions are filed against debtors.

Appropriation: None.

Fiscal Note: None requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.